The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Ex parte DAVID B. SUTTON and DOUGLAS E. BLASIMAN

Appeal No. 2006-1405
Application No. 09/420,033
Technology Center 3628

ON BRIEF[1]

Before OWENS, LEVY, and NAPPI, Administrative Patent Judges.
LEVY, Administrative Patent Judge.

DECISION ON APPEAL

This is a decision on appeal from the examiner's final rejection of claims 1-11, which are all of the claims pending in this application.

We AFFIRM.

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[1] The Oral Hearing scheduled for July 25, 2006 was waived by appellants in a communication received, via facsimile, on July 21, 2006.

BACKGROUND

The appellants' invention relates to a method and system for transacting a purchase using a credit card from the seller (specification, page 1). Specifically, the specification (page 2) discloses

> The method comprises the steps of: (a) offering an item for sale through the use of a purchase transaction manager, where the purchase transaction manager resides on a computing device interconnected to the Internet; (b) providing credit account information from the seller of the item to the purchase transaction manager; (c) receiving at least one acceptable bid on the item from a potential buyer, where each acceptable bid includes credit account information for the potential buyer; (d) determining a winning bid on the item, thereby identifying a buyer for the item; and (e) transacting a purchase between the buyer and the seller using the credit account information from the buyer and the seller.

Claim 1 is representative of the invention, and is reproduced as follows:

> 1. A method for transacting a purchase between a buyer and a seller using a computer-implemented purchasing system, the purchasing system having at least two computing devices interconnected by a network, comprising the steps of:
>
> offering an item for sale through the use of a purchase transaction manager, said purchase transaction manager residing on a first computing device interconnected to the network;

providing credit card account information from the seller of said item to said purchase transaction manager;

receiving at least one acceptable bid on said item from a potential buyer, where each acceptable bid includes credit card account information for the potential buyer;

determining a winning bid on said item by said purchase transaction manager, thereby identifying a buyer for said item; and

transacting a purchase between the buyer and the seller using the credit card account information from the buyer and the seller, including the step of crediting the credit card account of the seller.

The prior art references[2] of record relied upon by the examiner in rejecting the appealed claims are:

Woolston	US 6,202,051	Mar. 13, 2001 (eff. filed Apr. 26, 1995)
Walker et al. (Walker)	US 6,240,396	May 29, 2001 (filed September 14, 1997)

Claims 1-11 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Woolston in view of Walker.

Rather than reiterate the conflicting viewpoints advanced by the examiner and the appellants regarding the above-noted rejections, we make reference to the answer (mailed October 4, 2005) for the examiner's complete reasoning in support of the rejections, and to the brief (filed September 18, 2002) and reply

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[2] We find no evidence in the record that would indicate that appellants have filed a Declaration under 37 CFR § 1.131 to swear behind the filing date of either of the applied prior art references.

brief (filed December 5, 2005) for the appellants' arguments thereagainst.

Only those arguments actually made by appellants have been considered in this decision. Arguments which appellants could have made but chose not to make in the brief have not been considered. See 37 CFR § 41.37(c)(1)(vii)(eff. Sept. 13, 2004).

OPINION

In reaching our decision in this appeal, we have carefully considered the subject matter on appeal, the rejection advanced by the examiner, and the evidence of obviousness relied upon by the examiner as support for the rejection. We have, likewise, reviewed and taken into consideration, in reaching our decision, appellants' arguments set forth in the briefs along with the examiner's rationale in support of the rejection and arguments in rebuttal set forth in the examiner's answer.

Upon consideration of the record before us, we make the determinations which follow. We observe at the outset that appellants only present arguments for claims 1 and 7. Accordingly, the remaining claims will rise or fall with claims 1 and 7. We begin with claim 1. In rejecting claims under 35 U.S.C. § 103, it is incumbent upon the examiner to establish a

factual basis to support the legal conclusion of obviousness. See In re Fine, 837 F.2d 1071, 1073, 5 USPQ2d 1596, 1598 (Fed. Cir. 1988). In so doing, the examiner is expected to make the factual determinations set forth in Graham v. John Deere Co., 383 U.S. 1, 17, 148 USPQ 459, 467 (1966), and to provide a reason why one having ordinary skill in the pertinent art would have been led to modify the prior art or to combine prior art references to arrive at the claimed invention. Such reason must stem from some teaching, suggestion or implication in the prior art as a whole or knowledge generally available to one having ordinary skill in the art. Uniroyal, Inc. v. Rudkin-Wiley Corp., 837 F.2d 1044, 1051, 5 USPQ2d 1434, 1438 (Fed. Cir. 1988); Ashland Oil, Inc. v. Delta Resins & Refractories, Inc., 776 F.2d 281, 293, 227 USPQ 657, 664 (Fed. Cir. 1985); ACS Hosp. Sys., Inc. v. Montefiore Hosp., 732 F.2d 1572, 1577, 221 USPQ 929, 933 (Fed. Cir. 1984). These showings by the examiner are an essential part of complying with the burden of presenting a prima facie case of obviousness. Note In re Oetiker, 977 F.2d 1443, 1445, 24 USPQ2(Fed. Cir. 1992). If that burden is met, the burden then shifts to the applicant to overcome the prima facie case with argument and/or evidence. Obviousness is then determined on the basis of

the evidence as a whole. See id.; In re Hedges, 783 F.2d 1038, 1039, 228 USPQ 685, 686 (Fed. Cir. 1986); In re Piasecki, 745 F.2d 1468, 1472, 223 USPQ 785, 788 (Fed. Cir. 1984); and In re Rinehart, 531 F.2d 1048, 1052, 189 USPQ 143, 147 (CCPA 1976).

The examiner's position (answer, page 5) is that although Woolston discloses the step of crediting the credit card account of the seller, that Woolston does not explicitly disclose that the seller's credit from the transaction goes into his/her credit card. To overcome this deficiency of Woolston, the examiner turns to Walker for an explicit teaching of crediting the seller's credit card account for the net proceeds of the transaction, which was paid for by a debit of a buyer's credit card.

Appellants' position (brief, page 5) is that Woolston only describes debiting the credit card account of the buyer, and that:

> Current credit card clearinghouse regulations only permit credit transactions as "returns", that is where a corresponding debit occurs on the seller's credit card account. Applicant's claimed invention calls for a credit transaction without the customary corresponding debit being present on the seller's credit card account (underlining added).

With regard to Walker, appellants note (id.) that the step of crediting the seller's account occurs only after a corresponding

debit has been placed on the credit card account of the seller. It is argued (brief, page 3) that

> Walker teaches crediting the seller's credit card account when a corresponding debit has been previously placed on the account in accordance with customary credit card clearing regulations. <u>Applicant asserts that Walker does not teach or suggest the step of crediting the seller's credit card account without a corresponding debit</u> (underlining added).

The examiner responds (answer, page 11) that Walker is used as a teaching reference for crediting a credit card account. The examiner argues (answer, pages 11 and 12) to the effect that the claims do not recite crediting the seller's credit card account without the customary debit being present on the seller's credit card account. Appellants respond (reply brief, page 2) that Woolston fails to disclose crediting a credit card account of the user, and (reply brief, page 3) that Walker's crediting of the seller's credit card account does not complete the purchase transaction, but rather returns the credit card to a zero balance. Appellants add (reply brief, page 4) that

> To the extent that Walker teaches crediting a seller's credit card account, this step does not provide payment to the seller for the event tickets and thus does not complete the purchase transaction.

Upon careful review of the entire record before us, we begin our analysis with claim construction. Before addressing the

examiner's rejections based upon prior art, it is an essential prerequisite that the claimed subject matter be fully understood. Analysis of whether a claim is patentable over the prior art under 35 U.S.C. § 103 begins with a determination of the scope of the claim. The properly interpreted claim must then be compared with the prior art. Claim interpretation must begin with the language of the claim itself. See Smithkline Diagnostics, Inc. v. Helena Laboratories Corp., 859 F.2d 878, 882, 8 USPQ2d 1468, 1472 (Fed. Cir. 1988). Accordingly, we will initially direct our attention to appellants' claim 1 to derive an understanding of the scope and content thereof.

Before turning to the proper construction of the claim, it is important to review some basic principles of claim construction. First, and most important, the language of the claim defines the scope of the protected invention. Yale Lock Mfg. Co. v. Greenleaf, 117 U.S. 554, 559 (1886) ("The scope of letters patent must be limited to the invention covered by the claim, and while the claim may be illustrated it cannot be enlarged by language used in other parts of the specification."); Autogiro Co. of Am. v. United States, 384 F.2d 391, 396, 155 USPQ

697, 701 (Ct. Cl. 1967) ("Courts can neither broaden nor narrow the claims to give the patentee something different than what he has set forth [in the claim]."). See also Continental Paper Bag Co. v. Eastern Paper Bag Co., 210 U.S. 405, 419 (1908); Cimiotti Unhairing Co. v. American Fur Ref. Co., 198 U.S. 399, 410 (1905). Accordingly, "resort must be had in the first instance to the words of the claim" and words "will be given their ordinary and accustomed meaning, unless it appears that the inventor used them differently." Envirotech Corp. v. Al George, Inc., 730 F.2d 753, 759, 221 USPQ 473, 477 (Fed. Cir. 1984). Second, it is equally "fundamental that claims are to be construed in the light of the specification and both are to be read with a view to ascertaining the invention." United States v. Adams, 383 U.S. 39, 49, 148 USPQ 479, 482 (1966).

Furthermore, the general claim construction principle that limitations found only in the specification of a patent or patent application should not be imported or read into a claim must be followed. See In re Priest, 582 F.2d 33, 37, 199 USPQ 11, 15 (CCPA 1978). One must be careful not to confuse impermissible imputing of limitations from the specification into a claim with

the proper reference to the specification to determine the meaning of a particular word or phrase recited in a claim. See E.I. Du Pont de Nemours & Co. v. Phillips Petroleum Co., 849 F.2d 1430, 1433, 7 USPQ2d 1129, 1131 (Fed. Cir.), cert. denied, 488 U.S. 986 (1988).

What we are dealing with in this case is the construction of the limitations recited in the appealed claims. As stated by the court in In re Hiniker Co., 150 F.3d 1362, 1369, 47 USPQ2d 1523, 1529 (Fed. Cir. 1998) "[t]he name of the game is the claim." Claims will be given their broadest reasonable interpretation consistent with the specification, and limitations appearing in the specification are not to be read into the claims. In re Etter, 756 F.2d 852, 858, 225 USPQ 1, 5 (Fed. Cir. 1985).

We find that the claim does not recite that the crediting the seller's credit account is done without a corresponding debit, as asserted by appellants (inter alia, brief, page 6). Rather, claim 1 recites "the step of crediting the credit card account of the seller." There is nothing in the language of the claim, and appellants have not pointed to any language in the claim that would require "a credit transaction without the

customary corresponding debit being present on the seller's credit card account" as urged by appellants (brief, page 5). We decline to read into the claim limitations not found therein.

With this claim interpretation in mind, we turn to the applied prior art. As noted by the examiner, Woolston discloses (col. 5, lines 20-23) that:

> The consignment node may, for example, clear the transaction by charging the participant's charge card account and crediting the consignment node store account by well-known credit card clearing techniques.

Woolston further discloses that a user may have established a credit account from past sales, and that the clear charge step 404 is used to clear the participant consignment node transaction. This may be via an external credit card clearing network (col. 12, lines 43-49).

From these disclosures of Woolston of charging the participants charge card account and crediting the store account by well-known credit card clearing techniques and clearing the transaction via an external credit card clearing network, we find that an artisan would have been taught or suggested to credit the seller's account with the proceeds from the transaction, less any transactional costs. In addition, from the disclosure of Walker of crediting the seller's credit card account (col. 16, lines 30-32), we find that Walker would have additionally suggested

crediting the seller's credit account in Woolston with the proceeds of the transaction.

We agree with appellants that in Walker, the system reserves a portion of the sellers credit as a fraud deterrent in the event the seller fails to deliver the tickets (col. 12, lines 47-65). However, as we found, supra, claim 1 does not preclude debiting the seller's account as a deterrent to fraud. In addition, from the disclosure of Walker (col. 14, lines 43-45) we find additional evidence that the credit card account of the seller is credited with the amount of the transaction.

We are not persuaded by appellants' assertion (reply brief, page 3) that in Walker crediting the seller's credit card account only returns the credit card account to a zero balance because of the earlier reserve placed on the seller's account to deter fraud. As noted by appellants (id.) "[u]pon verification that the tickets have been surrendered by the seller to the buyer, the seller's credit card account is credited the reserve amount." From the disclosures of crediting the reserve amount to the seller's account, and crediting to the seller the transaction amount, we find that the seller does indeed get paid for the product sold.

From all of the above, we are not persuaded by appellants' assertion (brief, page 6) that neither Woolston nor Walker teach or suggest transacting a purchase that includes the step of crediting the credit card account of the seller. The rejection of claim 1 under 35 U.S.C. § 103(a) is sustained, along with the rejection of claims 2-6 which depend therefrom.

We turn next to independent claim 7. At the outset, we make reference to our findings, supra, with respect to claim 1. In addition, we observe that claim 7, like claim 1, does not recite that the seller's credit account is credited without a corresponding debit. Appellants assert (brief, page 6) that:

> Likewise, Claim 7 recites "said transaction manager being further operative to transact a purchase between the buyer and the seller using the credit card account information from the buyer and the seller, including crediting the credit card account of the seller" in combination with the other elements recited in the claim.

From our findings, supra, with respect to claim construction and the teachings and suggestions of Woolston and Walker, we will sustain the rejection of claim 7, and claims 8-11, which depend therefrom, for the same reasons as we affirmed the rejection of claim 1.

CONCLUSION

To summarize, the decision of the examiner to reject claims 1-11 under 35 U.S.C. § 103 is affirmed. No time period for taking any subsequent action in connection with this appeal may be extended under 37 CFR § 1.136(a)(1)(iv).

AFFIRMED

Terry J. Owens
TERRY J. OWENS)
Administrative Patent Judge)

STUART S. LEVY) BOARD OF PATENT APPEALS AND INTERFERENCES
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